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SECURITIES AND EXCHANGE COMMISSION
[SEC File No. 270-196, OMB Control No. 3235-0202]

Proposed Collection; Comment Request

Upon Written Request, Copies Available From:
Securities and Exchange Commission
Office of FOIA Services
100 F Street, NE
Washington, DC 20549-2736

Extension: Rule 15c2-11

Notice is hereby given that, pursuant to the Paperwork Reduction Act of 1995 (44 U.S.C. 3501 et seq.) (“PRA”), the Securities and Exchange Commission (“Commission”) is soliciting comments on the existing collection of information provided for in Rule 15c2-11, (17 CFR 240.15c2-11), under the Securities Exchange Act of 1934 (15 U.S.C. 78a et seq.) (“Exchange Act”). The Commission plans to submit this existing collection of information to the Office of Management and Budget (“OMB”) for extension and approval.

Rule 15c2-11 under the Exchange Act regulates the initiation or resumption of quotations in a quotation medium by a broker-dealer for over-the-counter (“OTC”) securities. The Rule is intended to prevent broker-dealers from initiating or resuming quotations for OTC securities that may facilitate a fraudulent or manipulative scheme. Subject to certain exceptions, the Rule prohibits broker-dealers from publishing a quotation for a security, or submitting a quotation for publication, in a quotation medium unless they have reviewed specified information concerning the security and the issuer. With respect to the securities of certain private issuers, a broker-dealer must make such information reasonably available upon request to any person expressing an interest in a proposed transaction in the security with such broker or dealer.

Based on information provided by the Financial Industry Regulatory Authority, Inc. (“FINRA”), we understand that in the 2019 calendar year, approximately 34 broker-dealers completed information reviews pursuant to the Rule for 384 securities—87 concerning securities of reporting issuers, and 297 concerning securities of non-reporting issuers. The collection of information that is submitted to FINRA for review and approval is currently not available to the public from FINRA.

We estimate that it will take a broker-dealer 4 hours to review, record and retain the information pertaining to a reporting issuer (approximately 3 hours relating to recordkeeping and one hour relating to third-party disclosure), and 8 hours to review, record and retain the information pertaining to a non-reporting issuer (approximately 7 hours relating to recordkeeping and one hour relating to third-party disclosure). We therefore estimate that the total time burden for recordkeeping associated with the information review requirement of the Rule will be 2,340 hours [for (87 reviews for reporting issuers x 3 hours) + (297 reviews for non-reporting issuers x 7 hours)]; and the total time burden for third-party disclosure associated with the information review requirement of the Rule will be 384 hours [for (87 reviews for reporting issuers x 1 hour) + (297 reviews for non-reporting issuers x 1 hour)]. Thus, we estimate the industrywide total annual burden hours associated with the information review requirement under the Rule to be 2,724 hours (2,340 hours for recordkeeping + 384 hours for third-party disclosure). The Commission believes that the internal compliance costs for these 2,724 hours would be borne by internal staff working at a rate of \$62 per hour.¹

¹ The \$62 per hour figure for a General Clerk is from SIFMA's Office Salaries in the Securities Industry 2013, modified by Commission staff to account for an 1800-hourwork-year and inflation, and multiplied by 2.93 to account for bonuses, firm size, employee benefits and overhead.

Written comments are invited on: (a) whether the proposed collection of information is necessary for the proper performance of the functions of the Commission, including whether the information shall have practical utility; (b) the accuracy of the Commission's estimates of the burden of the proposed collection of information; (c) ways to enhance the quality, utility, and clarity of the information collected; and (d) ways to minimize the burden of the collection of information on respondents, including through the use of automated collection techniques or other forms of information technology. Consideration will be given to comments and suggestions submitted in writing within 60 days of this publication.

An agency may not conduct or sponsor, and a person is not required to respond to, a collection of information under the PRA unless it displays a currently valid OMB control number.

Please direct your written comments to: David Bottom, Director / Chief Information Officer, Securities and Exchange Commission, c/o Cynthia Roscoe, 100 F street, NE, Washington, DC 20549, or send an e-mail to: PRA_Mailbox@sec.gov.

Dated: March 31, 2020.

J. Matthew DeLesDernier,
Assistant Secretary.

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